



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Brence Culp, Vice Chair
3rd District
Clinton Tatum
2nd District
Carl Gallucci
4th District
Lori Glasgow
5th District

MEETING MINUTES January 19, 2006

Chairperson Louisa Ollague called the meeting to order at 1:40 p.m. in Conference Room 525, at the Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Clinton Tatum, Second District
Carl Gallucci, Fourth District
Lori Glasgow, Fifth District

Committee Members Absent

Brence Culp, Third District

Others in Attendance

Maria Oms, Auditor-Controller
Jim Schneiderman, Auditor-Controller
Carla Carr, Auditor-Controller
Don Chadwick, Auditor-Controller
Brian Henricks, Auditor-Controller
Jesse Rodriguez, Board of Supervisors
Vincent Amerson, Chief Administrative Office
David Dijkstra, Chief Administrative Office
Craig Hiramawa, Chief Administrative Office

Garen Khachian, Board of Supervisors
Sandra Barbee, Board of Supervisors
Eleanor Montano, Sybil Brand Commission
Vito Cannella, Sybil Brand Commission
Helen Stathatos, Sybil Brand Commission
Jenny Yang, Local SEIU 660

Approval of Minutes

On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved the November 17, 2005 minutes.

Old Business

Vendor Business at the Hall of Administration: Mr. Rodriguez, in conjunction with the CAO Real Estate and Workplace Program Division, implemented minor revisions to the charitable giving campaign coordinator manual outlining the need for vendors to have a County facility use permit and proof of insurance before conducting business at the Hall of Administration (HOA). Additionally, each vendor must maintain an accurate log of all sales/transactions conducted at the HOA; include visible signage indicating the lead sponsor; vendor name; the percentage of proceeds donated; and the specific organizations/agencies that will benefit from the fundraiser. Building Management and the CAO Workplace Program will monitor and enforce the aforementioned rules and regulations. Mr. Hiramawa reiterated the importance of all vendors and charitable campaign coordinators to follow and abide the vendor/campaign rules at all County facilities. In response to Commissioners Glasgow and Ollague, Mr. Rodriguez reported the majority of vendors are required to pay a permit fee to conduct business at HOA; however, organizations such as LACERA and the Credit Union are exempt from restrictions to entering County property.

Carl Gallucci asked if the ingress/egress of all County facilities are being monitored. Mr. Rodriguez reported every County facility is different and the responsibility may lie with the proprietor.

The Committee unanimously approved continuing this item to the February 16, 2006 meeting and requested Building Manager Jesse Rodriguez to report back with the effectiveness of the new vendor forms and to contact the County CAO regarding the responsibility for ingress/egress safety concerns among the various County facilities.

Group Home Program Monitoring Report – Living Advantage, Incorporated – Advantage Living and Second Change Group Homes: Ms. Oms reported 70 significant deficiencies were found at the homes. DCFS investigated the Auditor-Controller's findings and placed the homes under Administrative Hold. All children were removed from the homes and will not be readmitted until DCFS and Auditor-Controller conduct a follow up review in December 2005 to determine whether all deficiencies were corrected. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report and requested this item be placed on the February 16, 2006 meeting agenda.**

Reports to be Received and Filed

Group Home Program Monitoring Report – Ava-Lyn's Group Home: Review determined Agency is providing the services as outlined in their Program Statement. However, the agency needs to repair the wood floors and furniture in the living/dining rooms and develop comprehensive Needs and Services Plans (NSPs). **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Ettie Lee Youth & Family Services-John Eccles, North Hollywood and Oak Knolls Group Homes: Review determined Agency is providing the services as outlined in their Program Statement. However, each Group Home has several deficiencies to address such as, indoor/outdoor home repairs; improve home cleaning standards; and provide children with sufficient recreational activities. All three Group Homes need to maintain an adequate supply of food and provide children the required minimum base allowance. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – The Sherman Group, Incorporated – Almond, Guymon Community, Hermosa, Kudos, Tali, and 17th Street Youth Care Center Group Homes: Review determined Agency is providing the services as outlined in their Program Statement. However, all six Group Homes need to develop comprehensive NSPs and maintain documentation of treatment services provided to children. Further, minor repairs to certain Group Homes are needed and provision of sufficient clothing for children. A corrective action plan (CAP) has been received and approved by the Auditor-Controller. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Turmont Home for Boys/Girls, Turmont Home for Girls Group Home: Review determined Agency is providing the services as outlined in their Program Statement, but needs to address minor electrical repairs and overall strengthening of Administrative controls in each Group Home. A CAP has been received and approved by the Auditor-Controller. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Monthly Evaluation of Refugio Para Niños' Compliance With Its Corrective Action Plan – 5th Status Report: Refugio is complying with its CAP requirement and has discontinued the practice of expending foster care funds for fundraising activities or for the Multicultural Counseling Center. Also, Refugio continues to make monthly payments under the terms of its repayment plan either on or ahead of schedule. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 9.150 – Rehiring of Retired County Employees: Mr. Dijkstra provided a brief overview of the aforementioned Board policy regarding the Hiring of Retired County Employees to Permanent Positions. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved extending the Sunset Review Date to August 25, 2007.**

Latino Family Institute Foster Family Agency Contract Review: Overall, the agency is providing the services required in their County contract, however improved oversight of the foster homes is needed to ensure compliance with the provisions of Title 22. Additionally, the Agency needs to reinforce administrative controls of its daily operation, and policies/procedures regarding all staff/child related business. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 5.070 – Multi-Year Contract Cost of Living Adjustment: Mr. Amerson advised no substantive changes to the policy are needed other than minor revisions to the wording of the Policy. **On motion of Lori Glasgow, seconded by Clinton Tatum, the Committee unanimously approved extending the Sunset Review Date to January 19, 2010.**

Crystal Stairs Inc. Contract Review – Calworks Stage 1 Child Care Services: Agency is providing the services required in the County contract. Of 99 (99%) of the 100 case records reviewed, the Agency provided enhanced referrals to eligible participants and authorized timely services. However, one over billing error was discovered in the amount of \$125; Agency will repay DPSS the \$125. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Institute for Multicultural Counseling & Education Services Contract Review: Review determined Agency is providing the services as outlined in the County contract, however, \$1,521 over billings were discovered. The Agency was unable to properly allocate the clinicians' time providing group services among the participants attending the sessions. Agency reported the data entry staff was unaware of the correct procedures needed for entering group services into the DMH billing system. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Los Angeles Youth Network Group Homes, Beachwood House and Taft House:

On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report and requested the Auditor-Controller staff to physically visit the Group Home to ensure corrective actions have been taken and implemented.

Counseling and Research Associates, DBA Masada Homes Contract Review:

Review determined Agency needs to address certain deficiencies. Agency failed to track/log actual hours that staff worked. Following our review, Agency's management implemented a policy requiring all staff to complete a timecard and report actual hours worked. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Status Report – Board Requested Reports on DHS Contract Physician Oversight, Physician Timekeeping Protocols and Investigation of Outside Employment (Board Agenda Item 61-A, July 19, 2005 and Item 85-A, August 30, 2005):

Since DHS is still revising their procedures, Auditor-Controller will postpone their review of the contract physician controls and the implementation status of recommendations until DHS has finalized/implemented the revised procedures, and trained their staff on the new requirements. Further, completion of the review and issuance of A/C report should occur by April 28, 2006. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Review of King/Drew Medical Center Radiology Contract Monitoring (Board Agenda Item 14, October 18, 2005): Review indicated that Fortino Castenada, M.D., Inc., a provider for radiology and services with KDMC, appears to be providing the required services and billing the County in compliance with the contract. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Communities in Schools Contract Review – Workforce Investment Act Youth Program:

Review determined Communities in Schools (CIS) lacked proper documentation to support eight work experience programs that were billed to DCSS; the undocumented billings totaled \$5,278. Also, an additional unallowable expense of \$122 was billed to DCSS for three program participants that visited Sea World. Further, CIS neglected to complete the Individual Service Strategy plans in accordance with the WIA guidelines for 82% of the program participants. CIS reported they would repay DCSS the over billed amount of \$5,400 and implement A/C recommendations. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Child and Family Center Contract Review:

On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved continuing this item to the March 16, 2006 meeting.

Group Home Program Monitoring Report – Project Six – The Help Group, Arminta, Burbank II, and Hackel I Group Homes: All three Group Homes need to improve documentation support and perform minor repairs/cleaning of their facilities. A/C has received and approved the Agency's CAP. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Positive Path Youth Development Center, Positive Path Group Home: Although the Agency is providing the treatment services as outlined in their Program Statement, the development of comprehensive NSPs that include specific and measurable short/long term goals is needed. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Pioneer Boys Ranch, Cross Group Home: Review determined the following deficient areas need to be addressed: repair/replace several window screens; maintain current NSPs, documentation proving children receive identified treatment services, and current court authorizations for psychotropic medications; provide children with a sufficient amount of clothing; and ensure the required weekly allowance is being given to the children. A/C has received and approved the Agency's CAP. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Girls and Boys Town of Southern California, Boys Town Group Home: Overall, the Agency is providing the services required as outlined in their Program Statement. However, the Agency needs to clean the carpet throughout entire facility and perform minor repairs inside the home. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Girls and Boys Town of Southern California, Dempsey and Flanagan Group Homes: Dempsey Group Home needs to clean the facility more regularly and Flanagan Group Home needs to clean and repair blinds in the living area. Further, both Homes need to provide children with the required minimum weekly allowance. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Mozell Pennington Boys Center, Compton House Group Home and ROA Manor Group Home: Each Home needs to develop comprehensive NSPs and ensure children are receiving the treatment services identified in their NSPs. Both Homes need to practice better cleaning habits and perform minor repairs as needed. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – David and Margaret Home, Incorporated, David and Margaret Home and Wenwood Group Home: Although the Agency is providing the treatment services as outlined in their Program Statement, the development of comprehensive NSPs that include specific and measurable short/long term goals is needed. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Dubnoff Center for Child Development, Clybourn Group Home and Valley Group Home: Valley Group Home needs to: landscape the back yard; clean children's bathrooms and provide toilet paper; replace one broken toilet; exterminate cockroaches/bugs; train and monitor staff to treat children with respect/dignity; and provide children the minimum base allowance. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Five Acres, Main Site Group Home, East Mountain Group Home, Solita Group Home and Monte Vista Group Home: Agency is providing the services as outlined in their Program Statement. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Florence Crittenton Centers Group Home: Although the Agency is providing the treatment services as outlined in their Program Statement, insertion of safety screens/barriers to the bedroom windows is needed to ensure children's safety. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved continuing this item to the February 16, 2006 meeting and requested the Auditor-Controller provide a verbal report on the current status of the Home.**

Group Home Program Monitoring Report – Touch a Life Foundation, Touch a Life One, and Touch a Life Two Group Homes: Both Group Homes need to landscape their backyards; repair peeling exterior paint; repair/replace kitchen sinks; replace dirty pillows on children's beds; and include the treatment team in the implementation of the NSPs. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Olive Crest Treatment Centers, Incorporated, Lena and Lyon Group Homes: Both Group Homes need to clean the carpeting throughout the homes; provide children with the minimum required allowance; and develop/implement NSPs. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Allen's Teen Care, Allen's Teen Care I and II Group Homes: Both Group Homes need to ensure children are receiving necessary survival/life skills; provide children the opportunity to participate in emancipation and vocational programs; and ensure the children receive the minimum required allowance. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Children's Therapeutic Communities, Omega House Group Home: Group Home needs to improve the condition of the children's bathroom and encourage/assist children in creating/maintaining life books. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Ingrid’s Residential Care Facilities, Incorporated, Ingrid’s Residential Care Group Home: Review determined Agency has the following deficient areas to address: landscape the backyard; replace worn chairs in the living area; develop/maintain NSPs; and perform minor repairs throughout the home. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Trinity Children and Family Services; Trinity-Yucaipa Group Home: Although the Agency is providing the treatment services as outlined in their Program Statement, minor repairs and increased Administrative control of in-house business is needed. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Trinity Children and Family Services; Trinity-Norco Group Home: Although the Agency is providing the treatment services as outlined in their Program Statement, the development of comprehensive NSPs that include specific and measurable short/long term goals is needed. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – The Sherman Group, Incorporated; Christmas Tree, Kingsland, Sunkist, and Wendy Youth Care Centers: The Agency is providing the services as outlined in their Program Statement but needs to address minor repairs to its facilities and ensure comprehensive NSPs are developed. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – St. Paul’s Group Home, Incorporated, St. Paul’s Group Homes 1, 2, and 3: Review determined the Agency is providing the services as outlined in their Program Statement. However, the Agency needs to develop NSPs; provide children with the required minimum base allowance; and ensure children receiving psychotropic medication have current court authorizations and psychiatric evaluations. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – The Roseau Group Home, Incorporated; Colina Group Home: Agency needs to ensure documentation of monthly medication evaluations are maintained and include children and placement workers as part of the treatment team in the development of NSPs. **On motion of Lori Glasgow, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Reports Received

Management Audit of the Probation Department: Board of Supervisors requested the Auditor-Controller to report back with a plan of action on how to correct Probation Department fiscal concerns and implement recommendations. Further, a work order consultant will be obtained to facilitate improvements to the Probation Department. Ms. Oms reported the audit revealed serious structural problems. **On motion of Lori Glasgow, seconded by Clinton Tatum, the Committee unanimously approved receiving and filing this report.**

Amanecer Community Counseling Services Contract Review: Auditor-Controller review determined Amanecer needs to revise their billing practices for Crisis Residential Treatment Services and improve their internal controls and level of documentation to support program expenditures and services billed to the County. Further, Agency has used \$150,000 of its \$350,000 line of credit to cover its operating expenditures and could be a going concern by the end of the current fiscal year. Auditor-Controller and Department of Mental Health (DMH) will monitor the Agency to ensure a CAP has been implemented with specific timeframes and recommendations for completion to DMH. **On motion of Lori Glasgow, seconded by Louisa Ollague, the Committee unanimously approved receiving and filing this report.**

Refugio Para Niños Foster Family Agency Contract Review: Review determined Agency needs to ensure NSPs, Special Incident Reports, Termination Reports, and Quarterly Reports are completed in accordance with the County contract and Title 22. Repay DCFS \$11,000 for placement funding received after child already left the Agency's care. Auditor-Controller recommends DCFS work with Agency to determine the disposition of the \$128,700 and pay DCFS for any overpaid amounts. Further, DCFS has been placed the Agency on Administrative Hold for 45 days. **The Committee unanimously approved continuing this item to the February 16, 2006 meeting.**

Group Home Program Monitoring Report – Westside Children's Group Home, Inc. – Westside Group Homes Sites 1, 2, 3 and 4: Review determined Agency's facilities were not complying with numerous contract requirements and is not providing the treatment services as outlined in their Program Statement. All four Group Homes need to facilitate numerous repairs to the interiors/exterior of their facilities. Due to the significance of the material findings, another follow-up review will be conducted within 45 days to ensure all recommendations have been implemented. Ms. Oms advised Auditor-Controller staff is visiting the Home today to determine if corrective action has been taken and implemented. Eleanor Montano, Sybil Brand Commission, reported the poor conditions in the Group Homes have existed for the past three years. In response to Lori Glasgow and Louisa Ollague, Ms. Montano reported she contacted DCFS on the Group Homes substandard conditions but never received a response from the Department. Ms. Montano advised that the Group Homes perform the minimum changes needed for site visits; however, the overall conditions of the Homes remain poor. Louisa Ollague requested the Auditor-Controller to send the Sybil Brand Commission a copy of the letter to DCFS Director Dr. Sanders. **The Committee unanimously approved continuing this item to the February 16, 2006 meeting.**

Other Business

FFAs and Group Home Monitoring: Ms. Oms reported progress has been stalled between DCFS and the contract monitoring group and duplication of monitoring is beginning to reoccur. Mr. Chadwick advised multiple audits and changes in DCFS management are attributing factors to the ineffectiveness of the Group Home monitoring. **The Committee unanimously approved continuing this item to the February 16, 2006 meeting.**

LAHSA Update: Ms. Oms reported the contract has been extended with the interim CFO to the end of March 2006. Thus far, 28 potential candidates have applied and currently 3-5 are being considered for the position. After two prior postponements, the Single Audit

will begin next week. Auditor-Controller staff has completed the 2003-04 and 2004-05 LAHSA bookkeeping records, and after two prior postponements, the Single Audit will begin next week. Interim CFO submitted a proposal to the CAO regarding implementing a revolving fund to offset current cash flow problems. **The Committee unanimously approved continuing this item to the February 16, 2006 meeting.**

Annual Audit Plan:

On motion of Lori Glasgow, seconded by Clinton Tatum, the Committee unanimously approved receiving and filing this report.

Public Comments

Eleanor Montano requested copies of the Audit Committee items/materials as discussed and to be added to the Committee mailing list. Ms. Montano reported substandard conditions exist at Cleo's Group Home.

Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting)

There were none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:45 p.m.